

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 01-02	2. STATE Louisiana
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2001	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(aa) of the Social Security Act	7. FEDERAL BUDGET IMPACT: a. FFY <u>2001</u> <u>\$ -0-</u> b. FFY <u>2002</u> <u>\$ -0-</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 2.b., Page 1 Item 2.c., Page 1 Page 2 Remove Attachment 4.19-B, Item 2.c., Pages 3,4,5,6	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 96-05) Same (TN 96-22) Same (TN 90-17) (TN 90-17)

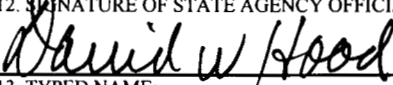
10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to comply with the provisions of the Benefits Improvement Act (BIPA) of 2000. Effective January 1, 2001 the reasonable cost based reimbursement requirements for Rural Health Clinics and Federally Qualified Health Centers are replaced by a prospective payment methodology.**

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☒ OTHER, AS SPECIFIED: **The Governor does not review
state plan material.**


☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: State of Louisiana Department of Health and Hospitals 1201 Capitol Access Road PO Box 91030 Baton Rouge, LA 70821-9030
13. TYPED NAME: David W. Hood	
14. TITLE: Secretary	
15. DATE SUBMITTED: March 27, 2001	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 29 March, 2001	18. DATE APPROVED: 27 JUNE 2001
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 JANUARY 2001	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: CALVIN G. CLINE	22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

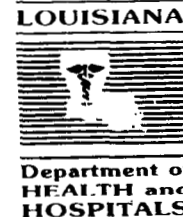
OFFICIAL FILE COPY



M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

May 29, 2001



David W. Hood
SECRETARY

RECEIVED
MAY 31 2001
HCFA/DMSO/SCOB

Mr. Calvin G. Cline
Associate Regional Administrator
Division of Medicaid and State Operations
DHHS/Health Care Financing Administration
1301 Young Street, Room #827
Dallas, Texas 75202

Re: Louisiana State XIX State Plan
Transmittal No. 01-02

Dear Mr. Cline:

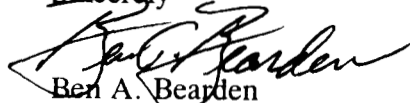
Please refer to our proposed amendment to the Medicaid State Plan submitted under TN 01-02 with a proposed effective date of January 1, 2001. This amendment implemented a prospective payment methodology for Rural Health Clinics and Federally Qualified Health Centers in compliance with the Benefits Improvement Act (BIPA) of 2000.

In response to Dallas Regional Medical Services Letter No. 01-005 dated April 23, 2001, we are submitting the attached revised plan pages. Please make pen and ink changes to HCFA 179, Blocks 8 and 9 as follows:

Block 8	Block 9
Attachment 4.19-B, Item 2.b., Page 1	Same (TN 96-05)
Attachment 4.19-B, Item 2.b., Pages 2 & 3 & 4	None-New Pages
Attachment 4.19-B, Item 2.c., Page 1	Same (TN 96-22)
Attachment 4.19-B, Item 2.c., Pages 2,3,4	Same (TN 90-17)
Attachment 4.19-B, Item 2.c., Pages 5,6-Removed	(TN 90-17)

If further information is needed, please contact Shirley Garland at (225) 342-3086. Thank you for your assistance.

Sincerely,


Ben A. Bearden
Director

BAB/SMG

Attachments

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

ATTACHMENT 4.19-B
Item 2.b., Page 1

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

<u>CITATION</u>	Medical and Remedial	Rural Health Clinic Services and Other Ambulatory Services
Section	Care and Services	Provided by a Rural Health Clinic
1902(aa) of	Item 2.b.	
Social Security		
Act		

I. Method of Payment

In accordance with Section 1902(aa)/the provisions of the Benefits Improvement Act (BIPA) of 2000, effective January 1, 2001 payments to Rural Health Clinics (RHCs) for Medicaid covered services will be made under a Prospective Payment System (PPS) and paid on a per visit basis.

A
STATE <u>Louisiana</u>
DATE REC'D <u>29 Mar 01</u>
DATE APP'D <u>27 Jun 01</u>
DATE EFF <u>1 Jan 01</u>
HCFA 179 <u>LA-01-03</u>

The PPS per visit rate will be provider specific. To establish the baseline rate for 2001, each RHC's 1999 and 2000 allowable costs, as taken from the RHC's filed 1999 and 2000 Medicaid cost reports, will be totaled and divided by the total number of Medicaid patient visits for 1999 and 2000. A patient visit is defined as receipt of services from a licensed practitioner and includes doctors, dentists, psychologists, social workers, nurse practitioners and physicians' assistants.

For RHCs beginning operation in 2000 and having only a 2000 cost report available for determining the initial PPS per visit rate, the 2000 allowable costs will be divided by the total number of Medicaid patient visits for 2000. Upon receipt of the 2001 cost report, the rate methodology will be applied using 2000 and 2001 costs and Medicaid patient visits to determine a new rate.

Upon receipt of the final audited cost reports for 1999 and 2000, the rate will be recalculated using costs and Medicaid patient visits from those reports. Payments will be reconciled against the initial PPS per visit rate, with recoupments and lump sum payments issued in accordance with existing State processes for cost report settlement.

SUPERSEDES: TN- LA-96-05

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001
Supersedes
TN# LA-96-05

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

ATTACHMENT 4.19-B
Item 2.b., Page 2

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

The baseline calculation will include all Medicaid coverable services provided by the RHC regardless of existing methods of reimbursement for said services. This will include, but not be limited to, ambulatory, transportation, laboratory (where applicable), KidMed and dental services previously reimbursed on a fee-for-service or other non-encounter basis. The per visit rate will be all inclusive-RHCs will not be eligible to bill separately for any Medicaid covered services. RHCs will be responsible for maintaining licensure/accreditation/program participation standards for all such services. In the event an RHC does not currently participate in any such program, but wishes to begin participation, the RHC will be responsible for meeting all enrollment criteria of the program.

A	
STATE	Louisiana
DATE REC'D	29 Mar 01
DATE APP'D	27 Jun 01
DATE EFF	1 Jan 01
HCFA 179	LA - 01-02

For the purpose of the calculation methodology, fiscal year is defined as the fiscal year of the participating RHC. Beginning with 2001, RHCs will be responsible for submission of their annual cost report for the year ending on June 30.

RHCs will be responsible for apportioning patient visits and statistical data in their 2001 cost report. The apportionment will be for the period from the first day of the 2001 cost reporting period through December 31, 2000. This data will be used to calculate cost settlements due from/to providers for the final cost-based reimbursement period in calendar year 2000. Note: Providers with a 12/31 fiscal year end do not have to conduct this apportionment.

Upon completion and implementation of PPS rate determination, the State will reconcile payments back to January 1, 2001. This will be accomplished by calculating a payment amount for eligible patient visits under PPS and comparing it to payments made for encounters under the existing cost-based reimbursement methodology.

SUPERSEDES: NONE - NEW PAGE

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001

Supersedes

TN# SUPERSEDES: NONE - NEW PAGE

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

No interim or alternate payment methodologies will be developed by the State without prior notification to each enrolled Medicaid RHC.

Should an RHC increase or decrease its scope of services through new program development, program closure, program enhancement, etc., it is responsible for notifying the Bureau of Health Services Financing, Institutional Reimbursements Section of the scope of change in writing. The RHC shall include with this notification a budgetary presentation showing the impact on costs and Medicaid patient visits. The Institutional Reimbursements Section will be responsible for incorporating allowable costs and visits into the PPS per visit rate calculation and determining a new rate.

A	
STATE	Louisiana
DATE REC'D	29 Mar 01
DATE APP'D	27 Jun 01
DATE EFF	1 Jan 01
HCFA 179	LA-01-02

For an RHC which enrolls and receives approval to operate on or after January 1, 2001, the facility's initial PPS per visit rate will be determined first through comparison to other RHCs in the same town/city/parish. Scope of services will be considered in determining which proximate RHC most closely approximates the new provider. If no RHCs are available in the proximity, comparison will be made to the nearest RHC offering the same scope of services. The rate will be set to that of the RHC comparative to the new provider.

Beginning with Federal fiscal year 2002, the PPS per visit rate for each facility will be increased annually by the percentage increase in the published Medicare Economic Index (MEI) for primary care services. The MEI increase will be applied on July 1 of each year.

II. Standards for Payment SUPERSEDES: NONE - NEW PAGE

To be eligible for reimbursement, a rural health clinic must be located in a rural area and located in a DHEW designated health shortage area (an area having either a shortage of personal health

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001
Supersedes
TN# SUPERSEDES: NONE - NEW PAGE

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

ATTACHMENT 4.19-B
Item 2.b., Page 4

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

services or a shortage of primary medical care manpower). It must be certified for participation in Medicare, Title XVIII and, therefore, deemed to meet the standards for certification under Louisiana's Medicaid program.

STATE <u>Louisiana</u>	A
DATE REC'D <u>24 Mar 01</u>	
DATE APPV'D <u>27 Jun 01</u>	
DATE EFF <u>1 Jan 01</u>	
HCFA 179 <u>LA -01-02</u>	

SUPERSEDES: NONE - NEW PAGE

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001
Supersedes
TN# SUPERSEDES: NONE - NEW PAGE

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

Attachment 4.19-B
Item 2.c., Page 1

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION

42 CFR

447.201 &

Section 1902(aa)
of the Social
Security Act

Medical and Remedial Care and Services
Item 2.c.

Federally Qualified Health Center Services

I. Reimbursement Methodology

In accordance with Section 1902(aa)/the provisions of the Benefits Improvement Act (BIPA) of 2000, effective January 1, 2001 payments to Federally Qualified Health Centers (FQHCs) for Medicaid covered services will be made under a Prospective Payment System (PPS) and paid on a per visit basis.

A	
STATE	Louisiana
DATE REC'D	29 Mar 01
DATE APP'D	27 Jun 01
DATE EFF	1 Jan 01
HCFA 179	LA-01-02

The PPS per visit rate will be provider specific. To establish the baseline rate for 2001, each FQHC's 1999 and 2000 allowable costs, as taken from the FQHC's filed 1999 and 2000 Medicaid cost reports, will be totaled and divided by the total number of Medicaid patient visits for 1999 and 2000. A patient visit is defined as receipt of services from a licensed practitioner and includes doctors, psychologists, social worker, nurse practitioners and physician's assistants.

For FQHCs beginning operation in 2000 and having only a 2000 cost report available for determining the initial PPS per visit rate, the 2000 allowable costs will be divided by the total number of Medicaid patient visits for 2000. Upon receipt of the 2001 cost report, the rate methodology will be applied using 2000 and 2001 costs and Medicaid patient visits to determine a new rate.

Upon receipt of the final audited cost reports for 1999 and 2000, the rate will be recalculated using costs and Medicaid patient visits from those reports. Payments will be reconciled against the initial PPS per visit rate, with recoupments and lump sum payments issued in accordance with existing State processes for cost report settlement.

SUPERSEDES: TN- LA 96-22

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001
Supersedes
TN# LA-96-22

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

Attachment 4.19-B
Item 2.c., Page 2

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

The baseline calculation will include all Medicaid coverable services provided by the FQHC regardless of existing methods of reimbursement for said services. This will include, but not be limited to, ambulatory, transportation, laboratory (where applicable), KidMed and dental services previously reimbursed on a fee-for-service or other non-encounter basis. The per visit rate will be all inclusive-FQHCs will not be eligible to bill separately for any Medicaid covered services. FQHCs will be responsible for maintaining licensure/accreditation/program participation standards for all such services. In the event an FQHC does not currently participate in any such program, but wishes to begin participation, the FQHC will be responsible for meeting all enrollment criteria of the program.

A	
STATE	Louisiana
DATE RECD	29 Mar 01
DATE APP'D	27 Jun 01
DATE EFF	1 Jan 01
HCFA 179	LA-01-03

For the purpose of the calculation methodology, fiscal year is defined as the fiscal year of the FQHC. Beginning with 2001, FQHCs will be responsible for submission of their annual cost report for the year ending on June 30.

FQHCs will be responsible apportioning patient visits and statistical data in their 2001 cost report. The apportionment will be for the period from the first day of the 2001 cost reporting period through December 31, 2000. This data will be used to calculate cost settlements due from/to providers for the final cost-based reimbursement period in calendar year 2000. Note: Providers with a 12/31 fiscal year end do not have to conduct this apportionment.

Upon completion and implementation of PPS rate determination, the State will reconcile payments back to January 1, 2001. This will be accomplished by calculating a payment amount for eligible patient visits under PPS and comparing it to payments made for encounters under the existing cost-based reimbursement methodology.

SUPERSEDES: TN- LA 90-17

TN# LA-01-03 Approval Date 27 June 2001 Effective Date 1 JANUARY 2001
Supersedes
TN# LA 90-17

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

Attachment 4.19-B
Item 2.c., Page 3

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

No interim or alternate payment methodologies will be developed by the State without prior notification to each enrolled Medicaid FQHC.

Should an FQHC increase or decrease its scope of services through new program development, program closure, program enhancement, etc. it is responsible for notifying the Bureau of Health Services Financing, Institutional Reimbursements Section of the scope of change in writing. The FQHC shall include in this notification a budgetary presentation showing the impact on costs and Medicaid patient visits. The Institutional Reimbursements Section will be responsible for incorporating allowable costs and visits into the PPS per visit rate calculation and determining a new rate.

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DATE REC'D <u>99 Mar 01</u>
DATE APP'D <u>27 Jun 01</u>
DATE EFF <u>1 Jan 01</u>
HCFA 179 <u>LA-01-02</u>

For an FQHC which enrolls and receives approval to operate on or after January 1, 2001, the facility's initial PPS per visit rate will be determined first through comparison to other FQHCs in the same town/city/parish. Scope of services will be considered in determining which proximate FQHC most closely approximates the new provider. If no FQHCs are available in this proximity, comparison will be made to the nearest FQHC offering the same scope of services. The rate will be set to that of the FQHC comparative to the new provider.

Beginning with Federal fiscal year 2002, the PPS per visit rate for each facility will be increased annually by the percentage increase in the published Medicare Economic Index (MEI) for primary care services. The MEI increase will be applied on July 1 of each year.

II. Standards for Payment

1. The FQHC must meet the Standards for Participation outlined in Attachment 3.1-A, Item 2.c.
2. The FQHC provider shall maintain an acceptable fiscal record keeping system that will enable the services provided by a

SUPERSEDES: TN- LA 90-17

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001
Supersedes
TN# LA-90-17

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

Attachment 4.19-B
Item 2.c., Page 4

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1905(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

FQHC to be readily distinguished from each other type of service which that facility may provide.

3. The FQHC provider shall retain all records as are necessary to disclose fully the extent of services provided to recipients; to furnish information regarding such records and regarding any payments claimed for providing such services as Medicaid of Louisiana, the Secretary, or the Medicaid Fraud Control Unit may request, for three years from date of service.
4. The FQHC provider shall abide by and adhere to all federal and state regulations, guidelines, policies, manuals, etc.

STATE <u>Louisiana</u>	A
DATE REC'D <u>29 Mar 01</u>	
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DATE EFF <u>1 Jan 01</u>	
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SUPERSEDES: TN- LA 90-17

TN# LA-01-02 Approval Date 27 June 2001 Effective Date 1 January 2001
Supersedes
TN# LA 90-17